Cost of living

- tackling poverty
- food
- energy
- housing
- debt
- employment
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Thanks to Peter Slater for photos
Poverty is a barrier to personal fulfilment, a cause of widespread misery and a huge economic drag. Yet one in four people in Wales live in poverty. That is why the Welsh Government is committed to doing as much as we possibly can to reduce poverty in Wales.

Poverty and the impacts of poverty on people’s lives do not fit neatly into one Ministerial portfolio or department. It affects every Ministerial brief and requires a whole Government approach if we are to make a significant impact. As the Deputy Minister for Tackling Poverty, my role is to embed the tackling poverty plan right across Government. The First Minister has made it clear that tackling poverty is a key priority and the Cabinet are all focused on this.

I recognise that the Welsh Government cannot deliver all the improvements we seek on our own. That is why another key part of my role is to work with the wider public, private and third sectors. If we do not achieve a wider collective ownership and
commitment to tackle poverty across all sectors, our communities will continue to be blighted by poverty. Local authority anti-poverty champions are an important source of leadership to help drive this agenda across Welsh local government. There is a huge amount of expertise within the third sector and an obvious commitment from individuals and organisations to make a difference. I have read the Bevan Foundation’s blogs about tackling poverty with interest, and welcome the opportunity to discuss the issues facing us.

What has been achieved?

We have made some progress. I welcome the fact that the number of children living in workless households has been falling since 2009. The percentage of adults with no qualifications has been falling since 2006. Unemployment in Wales is falling faster than the UK, employment is growing more quickly and the number of people in work is at a record high. However, there is much more to do. There is no avoiding the fact that the current levels of poverty in Wales are unacceptable.

My main priority is the delivery of the Tackling Poverty Action Plan, which we refreshed in July 2013. It brings together policy objectives from different departments into one coherent plan. It includes all of the key targets and milestones the Welsh Government wants to achieve. These include:

- Reducing the gaps in attainment between those from deprived backgrounds and other groups in the early years of development and during school.
- Reducing the number of young people not in employment, education or training.
- Offering 5,000 employment or training opportunities to people from workless households.
- Ensuring fair and equal access to high quality health, housing, financial and digital services regardless of people's incomes or where they live.

The objectives in the Action Plan are certainly challenging. The Welsh Government does not control all of the levers to help fight poverty. Key areas such as tax and welfare are not devolved. The best way to reduce poverty would see these UK-wide levers used to lift people out of poverty instead of driving our poorest families further into poverty. However, we do have powers over health, education and housing – these are areas where we can have the greatest influence. Achieving the targets will not be easy, but we are committed to doing all we can to succeed. Childcare is a hugely important factor. It is also an area where the levers are divided. Crucially the tax and benefit levers that make such a large difference to affordability for working parents and those seeking to find work are UK Government responsibilities.

Ensure fair and equal access to high quality health, housing, financial and digital services regardless of people’s incomes or where they live.
The existing definitions we use for people living in poverty – those living in a household with an income of less than 60 per cent of the median income of similar types of household and the free school meals measures – are imperfect.

I am aware of alternative definitions that exist, such as that emerging from work carried out by the Joseph Rowntree Foundation. However, there is no current intention to alter the definitions the Welsh Government use. We are though consulting on the next Wales Index of Multiple Deprivation. There are potential imperfections associated with any definition but any future reconsideration would have to be based on compelling evidence.

Evidence supports our belief that work is still the best way of escaping poverty. That is why creating job opportunities is one of the key elements of the Tackling Poverty Action Plan. However, I share the concern over the growing number and proportion of people living with in-work poverty. The Bevan Foundation, the Joseph Rowntree Foundation and the initial findings of the Social Mobility and Child Poverty Commission have all provided recent evidence to confirm the growing scale of this problem.

The Welsh Government is committed to using the powers available to us to help reduce in-work poverty. Our Flying Start programme offers free childcare and Job Centre Plus Parent Employment Advisors – often working in partnerships with Communities First – support people back into employment. We are seeking to increase skills and therefore enhanced employment opportunities for young people through the Youth Engagement and Progression Framework. Our commitment to jobs and growth is reflected through numerous programmes such as Jobs Growth Wales, our Business Start Up Programme and capital investment projects.

However, these measures alone will not eradicate
in-work poverty. The major levers on tax and benefits were used to help make work pay over the last decade. The reduction in UK Government support for low income workers has had a huge impact. Part of our task in fighting in-work poverty is the need to secure a different UK Government approach or an economic turn-around to deliver large numbers of high wage employment. Ideally we want to see both take place. We will continue to support skills, jobs and growth to minimise in-work poverty.

Ensuring fair and equal access to public services, regardless of income is a major plank of the Tackling Poverty Action Plan. We accept that the ‘inverse care law’ exists in parts of Wales. In other words those most in need (more likely to be from poorer communities) do not always get the best provision of services in terms of access or quality. We recognise the need to address this. The problem is not stating that access and quality should match need. The problem is how we achieve that when services are already provided on a different pattern.

That is why the Action Plan includes commitments to pilot different approaches in the Aneurin Bevan and Cwm Taf Health Boards to reduce the difference in life expectancy between those from the poorest communities and better off communities. Reducing these health inequalities will inevitably take time but, as Government, we are committed to achieving this.

Doing nothing is not an option. We cannot and will not abandon people to a cycle of poor adults having poor children who become poor adults. I do not accept that the Welsh Government can only act on the fringes of poverty in Wales. We have a real opportunity to make a difference to people’s lives through our powers for health, childcare, education, employment, housing and regeneration. We will continue to deliver our flagship Communities First programme in the most deprived parts of Wales. Communities First is not simply about community development. It should become a key enabler to better link mainstream services to communities where they should make the greatest difference.

Wales is a small country which creates challenges, but also creates opportunities. We could and should be more demanding of each other within public services when it comes to good practice being delivered and not simply discussed. We have the ability to do things differently, work more closely with people across all sectors and adopt good practice more readily.

We are faced with unprecedented cuts and by 2015-16 our budget will be nearly £1.7 billion lower than it was in 2010-11. Despite these cuts we have demonstrated our commitment to the tackling poverty agenda by providing additional funding for Jobs Growth Wales, Flying Start, the Pupil Deprivation Grant and continuing provision of universal benefits like free prescriptions, free school breakfasts and concessionary fares.

We have also announced an additional £70 million to encourage energy companies to invest in Wales and protect against fuel poverty. We are investing a further £20 million this year to support the building of one and two bedroom affordable homes to help deal with the demand created by the UK Government’s ‘bedroom tax’ – which we want to see abolished.

Our Tackling Poverty Action Plan is a clear commitment, right across the Welsh Government, that we will use our resources to help those most in need and prevent future generations from experiencing poverty. There is widespread agreement on the priorities – the challenge remains in delivery. We know that we cannot do this alone – we will only make a real and lasting difference with our partners in the private, public and third sector. That in itself is a challenge but is one that we are determined to meet.
The politics of food

Wales’s noxious cocktail of poor diet and hunger needs a new approach, argues Kevin Morgan, Professor at the School of Planning and Geography at Cardiff University.

Time was when hunger was seen as a problem for poor people in far-flung places like Africa and Asia. But two things happened in 2008 to shatter that stereotype. Firstly, the era of cheap food came to an abrupt end with the price hike in basic commodity prices and, secondly, the financial crisis triggered the Great Recession, fuelling a crisis in living standards in the UK, where many families now have to make the invidious choice between eating and heating.

We may not always recognise hunger in others, not least because of the shame that often cloaks it. But it is impossible to do any of the things we deem to be important if we crave a nutritious meal. Indeed, Raymond Tallis makes the compelling argument, in a book called Hunger, that “the deepest differences between human beings are not between man and woman, black and white, between intellectuals who aspire to the examined life and the thoughtless who do not, between those who do and those who do not believe in God, but between the hungry and the well-fed”.

The most visible sign of hunger in the UK today is the explosive growth of food banks. The Trussell Trust created its first food bank in Salisbury in 2000 and it was running 300 by the end of last year. Whereas homeless people used to be the main users, the three main reasons for referrals are now: benefit delays, low income and benefit changes.

Food banks have rightly attracted a lot of political attention, but they conceal the fact that a host of other food-related problems – like obesity, diabetes, coronary heart disease and certain cancers for example – are linked not to too little food but to too much food. In fact the number of hungry people in the UK today is grossly outweighed (so to speak) by the number of people who are overweight or obese. In other words the main problem is not on the margins of the food system, but in the mainstream food system because the average diet is threatening to bankrupt the NHS on account of the burgeoning costs of diet-related diseases.

Reforming our eating habits is a profoundly political issue because the food and drink industry, which includes some of biggest and most powerful names in the corporate world, has a vested interest in maintaining the status quo. In fact the food and drink industry spends a great deal of money conveying two messages: (i) that there is no such thing as bad food, only bad diets, the implication being that it is the fault of consumers not the industry if people eat badly and (ii) that food choice is a private choice, the implication being that governments should not interfere. While the first message is designed to absolve the industry of responsibility for all diet-related diseases, the second message aims to forestall public intervention in the name of consumer freedom.

But governments have two very legitimate reasons for wanting to reform the food choice environment. First and foremost, the costs of diet-related disease need to be radically reduced if the NHS is to be put on a more sustainable footing. And, secondly, successive governments in the past have allowed the fast food industry to insinuate itself into every nook and cranny of our everyday lives, with the result that junk food – nutritionally poor foods high in fat, sugar and salt – is now ubiquitous. So governments today need to right the wrongs of the past.

But the opposite is happening in the UK. The Coalition government has lost the confidence of the public health community because, under the so-called “responsibility deals”, the food and drink industry has been allowed to call the shots on food policy, so much so that public health professionals have resigned in protest.

Another conspicuous defeat for public health
campaigners occurred last summer, when David Cameron abandoned a personal pledge to introduce a minimum price for alcohol. The British Medical Journal discovered that the drinks industry had as many as 130 meetings with Whitehall health officials in the run-up to the decision to scrap the minimum pricing pledge. This provoked senior doctors to publish an open letter in January 2014 in which they said that the scale of contact between the industry and government “serves to fuel fears that big business is trumps public health concerns in Westminster, with private profits put before policies designed to protect the nation’s most vulnerable groups”.

Where does Wales fit into the picture? Eating a healthier diet is arguably more important in Wales than anywhere else in the UK because of our above average levels of poverty, inactivity and diet-related diseases, a noxious cocktail of forces that poses the greatest single threat to the viability of the NHS in Wales. A recent WHO survey of obesity in 39 countries – a league that nobody wants to win – placed Wales in 4th position, which is far more shocking than the league tables on education and employment. Healthy eating trends in Wales have been arrested not just by the Great Recession, but also by the austerity strategy of a Westminster government in thrall to a pre-Keynesian economic creed that licenses unprecedented public expenditure cuts (cuts that will incur higher health costs).

Fruit and vegetable consumption is a widely used indicator of healthy eating and this index reveals another chastening picture because as many as two-thirds of the population do not eat the recommended minimum of five portions a day. This sombre situation will not improve while household budgets are under pressure, creating the spectre of burgeoning nutritional poverty in Wales.

The Welsh Government is addressing the healthy eating challenge through its nutrition strategy, Food and Well Being, which was launched in 2003, and through its Food and Fitness plan of 2006, which sought to link healthy eating and physical activity. These policies have been complemented by important interventions to improve the quality of school food and to make fresh food more readily available through food coops in deprived areas. But these healthy eating initiatives are dwarfed by the scale of diet-related disease in Wales and no match for the noxious cocktail that underpins poor eating habits.

Although the Welsh Government cannot of itself reform the food and drink industry, or change eating habits overnight, it can begin to frame the problem anew, stressing community-based solutions rather than addressing ineffective public health messages to individuals. As Mark Drakeford, the Health Minister, has rightly said, “30 years of public health education seems to have made very little difference”. We need a new deal between state, citizens and consumers to make healthier foods more readily available and affordable – especially in homes, schools, hospitals and other public places.

We also need to remember that all organisations have a food policy: some practice it by design, and serve good food, while others practice it by default, and serve nutritionally poor food. The latter should be held to account because they are abdicating their duty of care. Food is vital to human and ecological health and therefore it has a unique status in our lives. Our policies and politics should reflect that unique status.
As energy bills hit the headlines, Andrew Regan, Policy Manager at Consumer Futures Wales, looks at the issues in Wales

Few issues have made the headlines recently as much as energy bills. The complexities of the market and options for reform have been debated; price increases and decreases have been quoted in percentages, pounds and pence and policy tweaked accordingly, but the consumer voice has largely gone unheard.

Consumer Futures exists to remind energy companies and governments that there is a household at the end of every gas pipe and electric cable. That there are children who cannot do their homework, because the whole family have to spend the evening in the only warm room in the house. That there are older people putting on another jumper, because they’re too afraid of turning the thermostat up and that there are people returning free meals to food banks, because they can’t afford the energy to cook them.

Consumer Futures recently published a report called ‘Cutting Back: the impact of the cost of energy on Welsh households’, based on over two years of research. It found that increasing numbers of customers were struggling with costs, afraid of another price increase and cutting back on essentials to cope.

The number of bill payers who said they were struggling increased from one in eight in June 2012, to one in five in March 2013. Over three-quarters (76 per cent) said they couldn’t cope with another price increase, and, unsurprisingly, that figure increased to 86 per cent for low income households. When asked how customers coped with rising bills, one in six said they had to cut back on food and one in five had to cut back on clothing or on other bills. Half had also started using their heating less or only heated certain rooms, putting their health at risk.

In the UK we pay one of the lowest unit prices for energy in Europe, so why are our energy bills so high? One of the reasons that our bills are so high is because we use more energy than we need to. The housing stock in many parts of Wales is old, hard to heat, and hard to insulate – tackling this means modifying people’s homes which, for
certain types of building, can be costly and difficult. There are simple behaviours people can learn if they want to save money – little things that can make a big saving over the course of a year. Information and advice can help people realise where they waste money and what they can do about it.

The Welsh Government has targeted its efforts to help those in fuel poverty on energy efficiency schemes and providing advice, with the Nest and Arbed schemes both offering grants to help people adapt their homes. However, early figures suggest that only 20 per cent of those being helped by Nest were ‘severely’ fuel poor, so there is scope to improve targeting resources at those in greatest need.

The largest component of an energy bill is the wholesale price and this accounts for around half of the average bill. It is generation companies, not suppliers, which set the wholesale price, making it a ‘fixed cost’, meaning that a breakdown of generation costs is not available in the same way as it is for suppliers. In some cases generation and supply are separate parts of the same ‘vertically integrated’ company, which means the companies effectively ‘sell to themselves’. One element of wholesale prices is profit for the generation companies, but information is not available on these profits.

Another fixed cost is distribution – the national grid. Distribution companies operate in natural regional monopolies, and together generation and distribution account for between two-thirds and three-quarters of the average bill.

Some smaller suppliers have suggested that the bigger companies pay an inflated wholesale price. The Big Six responded that wholesale prices are set sometimes years in advance to protect against market fluctuations. Without greater transparency, we simply don’t know who is correct – what we do know is that fixed costs are passed on to customers.

Another part of bills that has recently received media attention is the green levy. Schemes like the ECO (‘Energy Company Obligation’) fund adaptations to improve home energy efficiency. Whilst reducing energy use does have environmental benefits, these come from helping consumers cut their bills. So is the term ‘green levy’ the best name for the only bit of a bill that gives customers something back?

The UK Government recently reduced the green levy by delaying ECO targets by one year, aiming to save around £50 per household per year. This may make a small difference to some customers in the short term, but in the longer term consumers will have to wait longer to get help to cut bills.

In Wales, we found that 23 per cent of bill payers had recently made their home more energy efficient and whilst this was encouraging, we also found that half as many low income households had benefited compared to high income households. Clearly this help will need to be targeted at those who need it most.

In fact, energy bills may well not be the best way to fund energy efficiency schemes – direct taxation may be more progressive. Another approach would be to ‘recycle’ the carbon taxes designed to provide incentives concerning low carbon technologies. These currently go to HM Treasury, but could be targeted specifically to fund energy efficiency. However it’s paid for, improving energy efficiency remains the best way for households to – literally – insulate themselves against future price increases.

The UK Government states that low rates of switching and lack of competition in the market are keeping costs high. Our report found that in Wales only 11 per cent of customers had switched suppliers recently, compared to 15 per cent nationally – so, with so many ‘loyal’ customers subsidising the few that shop around, there is little incentive for suppliers to drive costs down. But, how much impact could competition actually have on bills?

As we’ve seen, the only parts of the bill that suppliers control directly are their own operating costs, marketing costs, and their profits – the rest are fixed costs, taxes and government levies. So only around a quarter of the bill could be directly affected by the competition, and it’s far from clear that there is scope to make energy affordable again for those struggling the most.

This is not to say that customers shouldn’t switch – households can save hundreds of pounds through changing tariff or supplier. The Welsh Government has recently funded Cyd Cymru, a ‘collective switching’ scheme, where customers register as a group to increase their bargaining power.

It is simply unacceptable that an essential, life-or-death commodity is increasingly priced as a luxury for many households. The solutions are not simple – market reform, greater transparency, regulation, energy efficiency, and individual behaviour will all play a part. If policy makers forget those who are pushed into debt and deprivation by energy costs, we risk reform that changes the market but not people’s lives.

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Housing and the cost of living

John Puzez,
Director of Shelter Cymru, explores some solutions to the current crisis in housing affordability.

Over the last 30 years, we have seen the housing market swing between extremes, from boom to bust and back again in a cycle that is both predictable and frustrating. Just a few years ago, banks and building societies were falling over themselves to offer 100 per cent mortgages, often with only the most cursory consideration of their customers’ ability to pay in the long term. Now, first-time buyers in Wales have no chance of getting a mortgage without a 15 per cent deposit – and how many of us are able to save that when wages are stagnant and the cost of living is rocketing?

It is clear that our housing market is completely unbalanced. Indeed, the fact that the word ‘housing’ is almost invariably coupled with ‘market’ is an indication of how houses are now primarily seen – not merely as somewhere to live, but as investments.

Rising house prices are hailed by politicians of all stripes as a welcome sign of economic recovery, even though it inevitably means that even more people will be priced out of the market. Testament to this imbalance is the dramatic increase in the number of people living in the private rented sector, which now makes up 14 per cent of all the housing stock in Wales, up from seven per cent in 2001-02.

Proposed solutions at the UK level have been very much of the sticking plaster variety, for example the much trumpeted Help to Buy scheme for first-time buyers, which has been criticised as likely to re-inflate the housing bubble. In Wales, there is a similar first-time buyer scheme but, more imaginatively, we also have the Welsh Government’s ‘Houses into Homes’ fund, providing interest-free loans via local authorities to help bring long-term empty properties back into use.

There is also a clear commitment from the Welsh Government to increasing the supply of affordable homes, despite the challenging financial situation, as well as innovative approaches to housing finance such as the £1 billion deal lately struck between RCT Homes and Bellerophon. This will see 11,000 affordable homes built in Wales over the next seven years without the need for capital grant funding from either the Welsh or UK Governments.

So how did we reach a situation where an estimated 90,000 households in Wales are on waiting lists for social or council housing? Where increasing numbers of families are renting not through choice, but because buying a home is a vanishingly distant prospect? How has something as fundamental to our health and well-being as a decent, secure home become, for many, an almost unattainable luxury?

First and foremost, we are suffering the effects of chronic underinvestment by successive governments in affordable housing. This has been compounded by the iniquitous situation of councils being forced to sell off their stock at a discount under the Right to Buy scheme, but prevented from re-investing the proceeds in building new homes. This drained billions of pounds out of the social housing sector that has never been replaced (and, in a rather sour irony, it is estimated that around a third of former council houses are now rented out by private landlords). In 2010, local authorities that still retained their housing stock were given the powers to suspend Right to Buy in areas of particular need, a good first step to help prevent further haemorrhaging of this scarce resource.

We also argue that councils that have retained their housing stock need to ring-fence the money they will receive from the reform of the Housing Revenue Account Subsidy, to use to invest in affordable homes. We recognise that this is a tough call when local authorities are having their budgets slashed, but housing shouldn’t be a luxury only to be funded when times are good.

It is going to take many years to increase the supply of affordable homes to the level needed. With mortgages beyond the reach of many people, the private rented sector is going to play an increasingly important role in meeting housing needs. Ensuring higher standards and a more consistent level of professionalism in the sector is essential. In our view, shared by the Welsh Local Government Association, this cannot be achieved
First and foremost, we are suffering the effects of chronic underinvestment by successive governments in affordable housing.

without the mandatory licensing of landlords and lettings agents. This is a significant part of the Welsh Government’s Housing Bill, currently undergoing scrutiny in the Assembly. Licensing would enable effective regulation of the sector and increase confidence among tenants.

Renting shouldn’t be just a last resort – it is the tenure of choice in many European countries. The situation might be different in terms of the scale of landlords’ portfolios and how well established long-term investment opportunities are within the sector, but one element we could adopt quickly is longer tenancies. We hear from landlords and tenants alike that they want longer tenancy agreements. Tenants want the security of knowing that they can settle and put down roots, while landlords value not having the disruption of finding new tenants every six to 12 months. As always the devil is in the detail, which is why we’re currently working with the Residential Landlords Association to establish some common principles that will work for both landlords and tenants.

With around 22,000 privately-owned empty properties in Wales, bringing empty homes back into use has the potential to increase the supply of homes. We would like to see the current Houses to Homes maintained beyond 2015, and for the Welsh Government to make it clear that local authorities are expected to give preference to developers who will offer properties at ‘affordable rents’, even if only for a fixed term. Some local authorities are already doing this, but a clear lead from the Welsh Government would support this further.

In the longer term, there is scope for community land trusts and co-operative developments to contribute to meeting housing need, particularly utilising disused public sector land. These needn’t be large-scale developments. In rural areas, just a few new homes in a village can make the difference between young people remaining in their communities or being forced to move away. These kinds of schemes would be good testing grounds for alternative models of ownership and development that could then be scaled up.

There is no one solution to the housing crisis, just as there is no one single cause. Rather, the solution requires action on many levels and by a range of agencies – local and Welsh Government, housing associations and landlords organisations – to repair the damage of so many years of underinvestment.

But Wales is a small country, which means that we can make things happen more quickly by getting these different groups together quickly. There is a lot of work to do, but it seems that finally there is also the will to do it.
Tough times in one of the most disadvantaged areas of Wales needs bold action to change lives, improve homes and support communities, says Jen Barfoot, Chief Executive of Tai Calon Community Housing.

Facing the challenge head on

Tai Calon Community Housing is the largest social landlord in Blaenau Gwent. It was created in July 2010 after council tenants voted in favour of their homes being transferred to the new “not for profit” organisation. A community mutual, Tai Calon puts tenants at the heart of everything it does and encourages them to pay an active role in the organisation.

I am the Chief Executive of Tai Calon, which in the past three and a half years has striven to change lives, improve homes and support the communities in which tenants live.

So, what has the past 12 months brought us? The economic gloom of the recession has been compounded by the UK Government’s welfare changes. Tenants who previously managed to scrape by are now struggling to cope. Many are in arrears and could risk losing the roof over their heads. It’s a situation affecting social landlords across Wales as well as the rest of the UK. At Tai Calon Community Housing we are facing the challenge head on.

The bedroom tax was introduced in April and the controversy about it continues. More than 3,100 of our homes are three or four bedroomed, so the opportunity for tenants to downsize to one or two bedroomed properties is limited. The next big challenge will be the introduction of Universal Credit and the swap to monthly payments, paid in arrears. For many tenants it will be a major change to their way of life. For the first time ever, many will be responsible for budgeting all of their money and making sure that their rent is paid to us.

Tai Calon is about more than just bricks and mortar. We see ourselves as a community regeneration vehicle with the drive and determination to make a difference. By creating and fostering partnerships with social enterprises, businesses and public bodies we have been able to deliver a wide range of activities (described in the boxes) to support people and wider communities in difficult times.

We use every available opportunity to promote messages about welfare reform, debt management and budgeting and fuel poverty. We have increased the number of staff and the time they spend in the communities where tenants live. Valleys teams are responsible for everything from letting homes, to managing arrears and issues like anti-social behaviour. We also run regular campaigns in our tenant newsletter, magazine, on our website and on
Facebook and Twitter. We have a sponsorship deal with the community-run Market Hall Cinema in Brynmawr and also have our own weekly show on the county’s community radio station, BRfm, and produce leaflets, posters, banners and booklets. Our initiatives won us two prizes at this year’s Community Housing Cymru PR and Communication Awards.

The impact is already clear. Every one of our 898 tenants affected by the bedroom tax has been offered advice or help claiming extra benefits; to date 794 are managing to pay it and 19 have downsized. More than 100 people assisted by our Money Advisor are over £52,000 better off as a result of claiming extra benefits or reduced debt – one tenant now receives more than £5,000 a year in extra income.

Our energy advisors have helped 312 households to reduce their energy costs and helped around 100 tenants to apply for help with their utility bills, saving them over £16,000 in total. In partnership with energy companies we have replaced 535 boilers and central heating systems as well as fitting external wall insulation to 474 properties. In many cases the improvements were carried out on the same property meaning tenants now have homes which are more cost-effective and easier to heat.

We are supporting the local economy and helping people to find decent work. We offer free training courses where students can learn everything from customer care to plastering and IT skills, and run a weekly Work Club from our office in Blaina. We aim to employ as many local people as possible, and offer work placements, apprenticeships and mentoring schemes and insist that our contractors do the same.

And last, but by no means least, we are improving people’s homes and the environment. We are spending £111 million to bring all our homes up to Welsh Housing Quality Standard by 2015, and we are spending £14 million on environmental improvements that are decided by tenants and residents, including everything from security lighting to car parking and play areas.

I am in no doubt that without Tai Calon’s action and that of our partners, many of our tenants would be very much worse off than they are. But although we have achieved a great deal, 2014 will undoubtedly bring with it a new set of challenges. Some will be easier than others to resolve – however at Tai Calon we are determined to overcome any and all obstacles in our path.

**Budgeting**

We are helping tenants to manage their money. We do this by:

- completing “income and expenditure” sheets with prospective tenants to help to make sure they can afford their new home;
- carrying out benefit checks to make sure tenants are claiming everything to which they have a right;
- offering help and referrals to independent organisations if a tenant is in difficulty;
- campaigning with Your Benefits are Changing around benefit changes;
- hosting a Money Adviser for gives specialist support;
- providing training in good budgeting;
- promoting local businesses which offer cheap, good quality furniture and IT equipment;
- piloting a “CredEcard”, an online bank account with an envelope facility which supports households to budget effectively;
- promotomg Smart Money credit union;
- reporting illegal money lending within the community;
- working with our banking providers to ensure basic banks accounts are available.

**Managing Fuel Bills**

We are helping tenants to reduce and manage their energy bills by:

- fitting new, more energy efficient heating systems;
- exploring opportunities to improve insulation in homes of non-standard construction;
- training staff to help tenants to apply for the Warm Home Discount and other schemes;
- helping tenants to compare fuel costs through ‘Your Home Energy Switch’;
- building relationships with energy suppliers and referring tenants to a named advisor if needed.
Walloping Wonga!

As the financial crisis takes its toll on families, Amanda Oliver, Head of Policy and Research at Community Housing Cymru, outlines an innovative solution to poverty and debt.

The dominant political theme of 2013 was the cost of living crisis. Welfare reform, and in particular the ‘bedroom tax’, combined with stagnant wages, high levels of unemployment and cuts to public spending are having a devastating impact on low-income families across Wales. Research by Community Housing Cymru found that, in the first six months of the ‘bedroom tax’ Welsh housing association tenants accrued £1m in arrears. Many tenants who have never been in debt or arrears before experienced difficulties paying their rent. The green shoots of recovery we hear about in the media are a far cry from reality for many Welsh communities.

Low-income families face far more than just ‘difficult choices’ that we hear governments talk about. It’s not even a question of ‘heating or eating’ now that paying for your ‘spare room’ comes into this impossible equation.

We’ve all seen the adverts for Wonga and Quick Quid and it’s no surprise that, with their cuddly images and their easily accessible cash, those who need to feed their children or heat their homes might turn to them at times of desperation. It’s not just the cuddly toys and mascots and 4,000 per cent loans – the Wales Illegal Money Lending Unit reports that borrowing from illegal money lenders has increased 40 per cent since 2009, adding further to the misery of debt.

As they take advantage of our poorest communities and drive them further into poverty and debt, surely now is the time to heed the Archbishop of Canterbury’s call and compete the payday lenders out of business. Let’s build on our proud tradition of co-operation in Wales and wallop Wonga!

Working in partnership with over seventy organisations, including Moneyline Cymru, Dwr Cymru, social landlords and third sector partners, the CHC money advice team has been working to provide face-to-face, telephone and online advice. Since November 2012, they have focused on welfare reform and re-branded the service under the Your Benefits Are Changing (YBAC) campaign.

The campaign has already distributed over 130,000 pieces of literature and merchandise across Wales. We have spoken to over 6,000 people about the welfare reforms, helping them to claim over £750,000 in additional benefits. With funding from the Oak Foundation, the campaign will roll out further in 2014, launching ‘YBAC TV’, a radio advertising campaign and an anti-loan shark campaign.

The YBAC advisers will also work alongside Moneyline Cymru – a leading not-for-profit social enterprise which provides affordable loans and money advice to people traditionally ignored by mainstream lenders. Since 2009, Moneyline Cymru has approved over 18,000 customer loans, saving borrowers over £4.5million in interest charges compared to the other lenders they might have used. Perhaps more impressively, having received advice and been encouraged to save, over 80 per cent of new Moneyline Cymru customers go on to open savings accounts, saving almost £1.5million to date.

The services offered by Moneyline Cymru are invaluable and go a long way towards helping people to cope with the changes to benefits and pressure on the cost of living. While Moneyline Cymru has been very successful in helping customers save, there are questions about whether all the good work building financial capability will be jeopardised by the extreme poverty that so many are now facing.

Addressing these challenges requires long-term vision and leadership. The third sector is already innovating and collaborating to alleviate poverty and deprivation. However, it is not only the responsibility of the third sector. Governments across the county have a responsibility to address the cost of living crisis. More can and has to be done – by working with the third sector solutions can be found.
The nay-sayers tell us that the arts are a luxury we cannot afford. Dai Smith, Chair of Arts Council Wales, argues that the arts are central to our lives, or else there is no life other than just existing.

The arts in an age of austerity

The case for public subsidy of art that is excellent, challenging, life-fulfilling and not commercial, has been widely understood and overwhelmingly won. The arts contribute much more to the overall economy than they take out of the public purse; they are a crucial shaper of the culture and society in which we live; their style and projection across art forms makes for the fashion, films and music which wrap around our daily lives, and make for profitable enterprises. Indeed, it is acknowledged by the discerning in the fields of popular culture that there would be no much-touted Creative Industries without the arts as the essential creative driver of industrial production and distribution. By the far-sighted-from Singapore to Scotland, from Chicago to Sydney, the arts are recognised as an educational dynamo of success in future careers and as a superb vehicle for literacy and numeracy attainment for all as the WOW factor of artistic creation in school life inspires, leads to greater attendance, hence to aspiration, and thence to achievement.

Indeed, if we look to measures of improved communication skills, socialisation, self-esteem, civic awareness and individual ambition – from the most disadvantaged to the most talented – it is the arts which, from worldwide evidence, most consistently enhance and improve learning outcomes. We, in Wales, are no exception to any of this. On the contrary, if we grasp this perspective we may be worried less and less by the myopia induced by the somewhat illusory statistics of leaning towers and, more and more be made aware of the building blocks we possess in the arts to construct what is sound, straight and our own. A society of betterment built to our needs and specifications, and with its foundations in our particular demographic history and culture. QED.

Except, every time the bell of austerity tolls the nay-sayers and the wilfully purblind, for whom living is always purgatorial and never heavenly, tell us that the arts are a luxury we cannot afford to afford. Yet, I would argue their importance to the public weal is even more vital than I have so far claimed. Money is indeed at the root of it, but it should be so as prioritisation within accepted principle, or else selling the soul could become pragmatism made everyday practice.

So, suppose a benefactor of enormous munificence from a hitherto unknown plutocratic planet descended on an economically woebegone
If we are to continue to be more than figures in a landscape, we will still need that interpretation of the relationship of humankind to its environment, man-made and natural, in both imagery and concept, which the visual arts has given us so far.

Wales to play a Game of the Gods. One in which we would be the beneficiaries of a golden, never-to-be-repeated offer, and our only duty would be to act as a grateful recipient of its bounty. The bargain struck, with a few venues and prizes and companies suitably named, would see the arts in Wales fully-funded and inflation-proofed for twenty years provided that not a pound or a penny from the public purse was to be used for any artistic or creative endeavour whatsoever. Good deal?

If dependency on the wealthy and subservience to patronage is a suitable pathway for the arts in any society, well then, “yes”. If civic purposefulness and citizen responsibility is a pre-condition of any democratic polity, then decidedly, “no”. It may seem a no-brainer to the dutifully consensual and accommodating amongst us, those perennial survivors from the drifting shipwreck of QuangoCymruLand, to propose that a mixed economy of public underpinning and private or corporate philanthropy in arts funding might be more socially acceptable and culturally desirable than either of the strict alternatives set out in such a deal. But a moment’s pause for reflection will reveal, beyond the smokescreen of seemingly compatible ends in both models, that the means towards those ends are not, in reality, balanced. Between different types of financing, in the absolute terms of amounts raised and how the money is allocated as between public transparency and the preference of private donors, there is an unbridgeable abyss. In Wales, to be brutally blunt, there is no substitute for the public funding support for the arts which we currently enjoy. There would be no widespread back-up of the non-commercial arts sector, risky and dangerous and delightful in turn, without the moneys freely contributed by our various levels of government. In any case, in my view, the arts are far too precious a commodity as the expression of our human worth as a national community to be left to the mercy of any benefactor other than ourselves. They are not some cherry on the cake, deposited there by some sugar-daddy on a weekend visit, they are the cake itself.

There is no Wales, past, present or future, without the arts of expression and performance. There would, of course, be a geographical entity called Wales. And there would be recognisable landscapes, and flag-waving and national sentiment, as well as sporting triumphs and institutional vacuums. But if both our principal languages are to go on carrying the nation’s soul for us, we will need poetry and stories and songs, more than just linguistic ways to communicate our hollowed-out state. If we are to continue to be more than figures in a landscape, we will still need that interpretation of the relationship of humankind to its environment, man-made and natural, in both imagery and concept, which the visual arts has given us so far. To imagine Wales, as it was and will be, we require music and narrative and the physicality of dance and the plasticity of sculpture, the drama of architecture and the architectonics of drama, to address the context of our participatory politics and what is distinctive about us in the otherwise common humanity we share with others.

In all of this the arts are central to our lives, or else there is no life other than just existing. And that, in the beginning as in the end, merely to exist is precisely what one of our greatest creative minds did not wish to see as the underlying purpose of the NHS he founded. Aneurin Bevan worked to enshrine the NHS in the very DNA of people, its cradle to grave succour, not so that they could merely exist but so that, in existing without fear of the contingent, they could aspire to live as fully as possible.

The NHS was established in law in 1948. Its founder was also responsible for the Local Government Act of
1948. That other Act envisaged far-reaching provision for local government support for the arts. Just as schemes for Medical Aid could radiate out from Bevan’s Tredegar, so too could the culture of liberation to be found in Tredegar Workmen’s Library, and in similar Institutes, with their reading rooms and concert halls, across the South Wales coalfield. To be extended to all, not by the puff and patronage of charity but, as with hospitals and medical care in the community, through the cleansing wind of democratic change and social justice that was blowing so hard in the post-war years. In his poetic manifesto for a new kind of politics, “In Place of Fear” (1952), Bevan wrote: “Some day, under the impulse of collective action, we shall enfranchise the artists by giving them our public buildings to work upon: our bridges, our housing estates, our offices, our industrial canteens, our factories and the municipal buildings where we house our civic activities. It is tiresome to listen to the diatribes of some modern art critics who bemoan the passing of the rich patron as though this must mean the decline of art whereas it could mean its emancipation if the artists were restored to their proper relationship with civic life.”

Nye Bevan had understood, from his reading of Ruskin and Morris in the Tredegar Workmen’s Institute, that the arts were the rights of all as a constant presence, not the privilege of the few at chosen times in discrete places. It was not good enough that somewhere in a lighted room someone might play a piano exquisitely for some whilst others can only stare through the window or hear a distant sound. It was not sufficient that some minds could grow more expansive and some limited horizons be enlarged by the wonder and knowledge the arts can bestow, whilst other sensibilities were left to shrivel from want of such nourishing. For Bevan, whose socialism let us remember had as its declared religion “The Language of Priorities”, the arts must be enabled to permeate any society of civic worth if citizens were to live and breathe to any common purpose and individual fulfilment. The arts are, as William Morris proclaimed in the 1890s, “Humankind’s expression of the value of life, and the production of them makes for human life of value.”. Or, to use the 1958 phrase of Wales’s greatest twentieth century intellectual, the railway signalman’s son from Pandy, Raymond Williams, “Culture is ordinary.”

Williams then went on to say, “And that is where we must start.” So much that has happened since has been, in fact, a great start – achievements of stature and significance for the arts in Wales. Just look around. Just recall. Just dream.

Now, as public finances inexorably shrink and budgets are cut, of course the arts are not immune and, indeed, all of us in the arts sector, as with our particular colleagues in local government, are feeling acute pain. But, with the arts devolved to Wales, we do have democratic government which listens and, in the most difficult circumstances, still seeks, despite the austerity visited upon them and so on us, the undeniable case for the arts in Wales.

Successive Ministers of Culture have clearly realised that the arts punch above their weight for Wales, and that if we cannot, at present, be rewarded in commensurate terms, nor will the arts ever again be marginalised by any philistine, short-term, barebones reductionist economism. What has been accomplished in the past must continue into the future, and it is under that banner that I will lead Arts Council Wales forward so that the quality arts we now facilitate and sustain in Wales will increasingly be made available to all as they serve to give essential definition to our dreams for ourselves, and thereby inform the abstractions of policy and the vagaries of markets with their own greater and more enduring reality.

1. The OECD’s PISA survey ranked Wales’s 15 year old’s maths, reading and science skills as the worst in the UK.
Full employment in a free society

Alex Bevan, Economic Policy Officer at Wales TUC, argues that full employment should be the central plank of economic policy, benefiting thousands of people as well as cutting the benefits bill.

In Caerphilly 1,755 men and women have just spent their second successive Christmas on the dole, desperate for work. If you live in Swansea, Newport or Wrexham, there’s a decent chance you have met, queued next to or just walked past one of the 3,470 people in the same boat. In all, 20,000 individuals across Wales are in a position we all dread, representing a crisis point in an unjust and inefficient labour market.

Seventy years ago William Beveridge wrote his visionary work Full Employment in a Free Society which set out the case for a permanent commitment to high and stable levels of employment. For trade unions, this is the starting point for any just
economic vision where the benefits of prosperity are shared with this essential commitment to the common good.

However, Beveridge’s concept of welfare can only be properly understood in relation to the wider goal of full employment. When UK ministers selectively quote his declarations on welfare to support punitive reforms, they willfully betray his expectation that full employment should complement a decent welfare system.

Rather than full employment being a loosely-desired consequence of macro-economic policy, it should act as a central plank of the government’s economic model. Exceeding the pre-recession employment rate of 73 per cent would bring the benefit of more women, disabled people and young people in work. A more ambitious target would also bring a tangible commitment to rejuvenating economies that were largely excluded from the boom years. For Wales, halving the employment gap between the South East and other UK regions would see a 9 per cent rise in its employment rate.

The existence in Wales of areas characterised by that macabre term ‘employment blackspot’ is an indictment of the failure to ensure an employment rate high enough to prevent wasted talent and lasting poverty, both in and out of work. While it is difficult to pinpoint a suitable fixed employment rate, government should be constantly setting ambitious goals that would overcome the social penalties we all pay for unemployment. Full employment would not solve all our economic and social woes but the fundamental shift in priorities would focus attention is on issues like industrial policy, at the same time as acting as a buffer to narrow, finance-led growth.

As 2013 drew to a close, the good news is that unemployment did not reach the heights many expected. But this does not begin to tell the full story. The growth of the working age population is holding down the official unemployment rate, meaning that the number of those unemployed has fallen only slightly, from 2.5 million to 2.4 million. It remains the case that 1 million women (50,000 in Wales) are unemployed, over 800,000 people have been out of work for over a year and more than one in five young people in Wales are currently out of work. Add to this, the regular need to compete with the 65,000 workers in Wales stuck on involuntary part-time hours, and the hunt for full-time work is clearly a hard slog.

There have always been plenty of reasons for trade unionists to hate unemployment. The direct effects of unemployment make us constantly impatient for progress. Here are a few:

- by the age of two, children of long-term unemployed people are an inch shorter in height;
- unemployed people are twice as likely to be victims of violent crime as employed people;
- unemployment is as dangerous as bereavement for the risk of heart attack and more than doubles the risk of depression;
- unemployed young people are a third more likely to take drugs than employed young people.

As stark as these statistics appear, their grimness is equalled by the all-out assault on the way unemployed people are portrayed. Channel 4’s Benefits Street was pitched perfectly to allow The Spectator’s Fraser Nelson to assert how this ‘opens a

The short-term effects are especially visible at this time of year. These include fuel poverty which results in pupils being hungry and ill more frequently. It also results in pupils being less able to complete homework due to the lack of heating at home...
window’ onto the welfare state before demanding more punitive reforms.

As welfare cuts hit those in work more than any other group, it is a testament to right wing campaigners and newspapers that public perception has been forced so violently away from reality. In fact those asked in a 2013 TUC poll believed that 41 per cent of the entire welfare budget goes on benefits to unemployed people, while the correct figure is just 3 per cent.

Meanwhile, NUT Cymru member Clare Jones told us what poverty in an area affected by high unemployment looks like in her classroom:

‘The short-term effects are especially visible at this time of year. These include fuel poverty which results in pupils being hungry and ill more frequently. It also results in pupils being less able to complete homework due to the lack of heating at home impacting on their ability to sit and concentrate on work.

‘If families are trying to keep warm they may also only heat one room – the peace and quiet needed for older children to complete homework may be detrimentally affected by this.’

The view from the workplace provides yet more reason for us to hate unemployment. As those on the dole (more than three for each vacancy in Wales) vie alongside those on low pay and too few hours for new jobs, employers continue to enjoy the edge in wage negotiations – a fact clearly reflected in the longest period of falling real incomes since Gladstone was in power. Falling real wages mean that the average wage in Wales is worth around 7 per cent less than it was 2007, leaving full time workers over £30 a week worse off.

Cardiff University’s recent in-depth survey on employment and skills has revealed that the ‘fear of job loss’ amongst workers in Wales has risen dramatically since 2006. In other words fewer of us feel that we could find a job with the same hours and pay if we were faced with redundancy. The climate of fear this creates makes it much harder to challenge bullying, harassment and discrimination in the workplace. Add to this costly employment tribunal charges and the scrapping of Legal Aid and the result is an underpaid, insecure workforce with ever-diminishing rewards for their labour.

An environment that focuses so closely on the
An environment that focuses so closely on the short-term has produced an inefficient labour market in Wales, where pay remains a structural problem and a barrier to development. Before zero hours contracts hit the headlines, the 2011 Bevan Foundation report ‘Working All Hours’ demonstrated the link between insecure part-time (including zero hours) work and low pay, productivity and skills. Refuting the notion of communities without the ‘get up and go’ to find work, the study compares life before and after work at the Burberry factory in the Rhondda since its closure in 2007. The analysis is a sobering account of the job market in Wales. Much of the largely female workforce had moved into minimum wage care and hospitality jobs with anti-social hours and little or no development opportunities. As one of the report’s authors, Dr Jean Jenkins, told us:

‘Employers are simply off-loading all their risk on to workers earning unpredictable amounts at minimum wage while taxpayers are subsidising unsustainable, poor quality jobs.’

Overall, as with many jobs in the sector, hard work and low pay were tolerated because of other compensations namely stable hours, job security and strong social networks. As one worker said:

‘We didn’t earn a lot but I had a job where I was near to home. I could cope with all the commitments in my private life, if my mother was taken ill [for example].’

In the ten years leading up to the crash, Wales lost 52,000 manufacturing jobs with many experiencing the same problems faced by the Burberry workforce. That’s why Wales TUC has been setting out the case for an industrial strategy, arguing for a relentless focus on sustainable jobs and investment. The Welsh Government has been the most proactive government in the UK when it comes to active labour market policies, with Proact, React and more recently Jobs Growth Wales. These are all positive but by their nature are mostly short-term. What is needed now is a strategy to bring a stronger rationale and clearer goals to our economic interventions, ensuring that the whole is greater than the sum of its parts.

Amongst many other measures, the UK government needs to reverse regressive cuts to capital investment, introduce a proper jobs guarantee and support a well-capitalised business investment bank. That’s not likely to happen soon, so it is more important than ever that the Welsh Government does all it can to embrace its role as a coordinating authority in an economy that is suffering some of the worst symptoms of an inefficient labour market. While full employment is not sufficient on its own, it is a necessity in moving towards a prosperous Wales and a truly fair welfare system across the UK.
Howard Marshall, formerly Head of Social Partnership at the Welsh Government, looks at the latest ideas about workers’ involvement and urges trades unions to use the idea of engagement as a tool to renew their organising work.

Engaging the workforce

Workforce engagement has become one of the fashionable topics within the world of work and is a “rising star” within the human resources community. Those who follow trends and thinking which emerge from eminent business schools from time to time will know that the next big idea is often a variation on a theme, in other words real original thinking and innovation is rare and what we see are “fundamentals” of good practice being refined and re-packaged.

Some of the fundamentals which form part of the relationship between employee and employer are almost irreducible such as leadership and management, communication, fairness in pay and reward and softer issues such as organisational culture, values and individual and corporate integrity.

So what is workforce engagement and where does it fit in?

Workforce engagement is generally described as the degree to which employees are committed to delivering the goals of their organisation. It rests on the belief that employees make a choice about how much energy, time and commitment they invest in delivering their organisation’s agenda. There are multiple definitions and much contested writing on the subject, needless to say I will be avoiding any temptation to join the fray.

The most contemporary and relevant report is Engaging for Success –enhancing performance through employee engagement, written for the UK government by David Macleod and Nita Clarke. This has become the authoritative work on workforce engagement and very much frames current thinking.

Is this just re-heated practice but given a new badge? Well, yes and no. Yes, many of the features of workforce engagement are recognisable, in particular excellent communication, clarity of role, empowerment and leaders and managers who inspire their staff. No, because it brings all these characteristics and behaviours into a whole approach. It hangs together as a package.

To sum up, it’s the people that make any business a
success – get the people issues right and the rest will follow. I quite like a quote from the Macleod Report which said “employee engagement is when the business values the employee and the employee values the business.” This simply encapsulates what engagement is about.

The report gave an unqualified ‘yes’ to the exam question set by the then Secretary of state, Lord Mandelson, namely: ‘could workforce engagement assist competitiveness and performance, as part of the country’s efforts to come through the current economic difficulties, take maximum advantage of the upturn when it comes, and meet the challenges of increased global competition?’ These issues are critical and the cost of having dis-engaged employees is damaging to the economy and to individuals. Some estimates put this cost at £1.4 billion to the Welsh economy alone.

Trade unions play a vital role in society as the voice of working people. They ensure fairness and justice in work and add real value to civil society. In Wales they have a respected place as one of the key partners in developing a prosperous, socially-progressive country. Trade unions are both wary and sceptical about workforce engagement. The Macleod Report has this to say:

“In the past, trade unions have expressed wariness about employee engagement, regarding it as a potential alternative to the traditional model where employers communicated with their workforce through the union machinery.”

As a report for the Wales Public Service Workforce Forum put it, trade unionists felt that “the inferences were too close to a case for effort over and above the agreed, contracted job, and so tantamount to unpaid overtime.” That said, the TUC in a note to the review offered a more positive view, stressing that if done well workforce engagement could have significant benefits to the organisation and the employee.

It seems to me that there are three issues which need to be addressed here:

- Alternative models/structures
- Independent voice
- Discretionary effort

We are assuming here organised workplaces with trade union recognition.

Trade unions both at national, regional and branch or workplace level have always had to manage ambiguity and the ebb and flow of government policy. The collective versus individual “rights” has always been a feature of the industrial relations landscape and one which I think is over-thought in many ways. For trade unions it must be about advancing the lot of working people in a holistic way.

Trade unions have long been forces for social progress both in the workplace and wider civil society, particularly so in Wales with its history and traditions. There should be no need for alternative structures to trade unions or for a voice independent of trade unions. If they appear, they have to be seen as an indicator of poor workplace organisation, and in these circumstances it is important that trade unions reflect upon their organisational capacity and capability. At its root workforce engagement should be synonymous with good workplace organisation, with members playing a full and active part in the governance and aspirations of both their trade union and their employer.

Discretionary effort is a contested term and in my view is less a matter of engagement than it is of performance. Discretionary effort assumes that a baseline exists that allows for someone to be satisfactory, and that the baseline is at a lower level than the individual’s capability. Surely we should be striving for everyone to be the best they can be at all times? It bothers me that we’ve become comfortable talking about ‘discretionary effort’ as a key element of engagement. I think it’s time to take a step back and reconsider this notion. If we do, we may just find that rather than spending so much time trying to improve your employee engagement survey score, you should be putting those efforts towards improving culture, performance and developing leaders who invite people to be their best, create accountability, and recognize people for doing a good job.

Workforce engagement as a concept is here to stay. It is important that trade unions view it as an opportunity to review and refresh their organising work both in areas were they already organise but also into new workplaces and, as important, to improve their bargaining potential.

There are good examples of an intelligent approach to workforce engagement. We start with the working assumption that the workforce still supports the notion of a collective voice at work. There is much evidence to support this notion. The development of partnership working in its various forms, employers sharing power and responsibility with trade unions and joint ownership of the respective challenges facing business and public services are all fertile conditions for trade unions to adopt workforce engagement as a tool to advance the cause of trade union organisation in Wales.
As any issue of the Bevan Foundation Review shows, our lives are marked by drastic inequalities. Average life expectancy in the suburbs of Cardiff is ten years higher than in the inner city. Among UK employees in full-time employment, women earn on average 15 per cent less than men. The social class gap for educational achievement in the UK is one of the highest in the world – meaning that while intelligence is distributed evenly across different social strata, middle-class children heavily outperform their working-class schoolmates. Just three among very many examples of the inequalities that are deeply entrenched but also seemingly avoidable.

Yet it’s not as if equality is a minority interest, or an ideal we hear nothing about. From the struggle of the Chartists to the US civil rights movement, and from the Suffragettes to disability rights campaigners, the demand for more of it has been central to key social and political changes of modern times. And progress happens, as these cases show. Most people in the world enjoy greater equality than their great-grandparents did. For the first time in history, a majority of children in the world now have the opportunity to learn to read and write. Yet global inequality remains drastic. Average global life expectancy is 70 – but ranges from 83 years in Japan down to 47 years in Sierra Leone. Wales itself contains gaping disparities in people’s lives: visible in statistics, but also in any bus journey. We live in a world, and in communities, where there is more than enough to go round but some have drastically more than others – in ways routinely handed down between generations, through the lottery of birth. Is this really the best we can do?

Of course, the answer is no. So what stops us doing better? Various things. There are powerful interests in any society to whom calls for equality will sound deeply inconvenient. The already-powerful and the best-off will always find ways of making an unequal status quo seem natural, or somehow necessary. But there are other hurdles too. One is that the causes and effects of inequality are complex. Beneath the statistics lies a warren of different factors. In the last Review we looked at the relationship between inequalities arising from the distribution of resources (like gaps in income), and those rooted in attitudes, such as discrimination and prejudice. Is sexism at the root of women’s lower pay? Or is women’s economic subordinacy at the root of sexism?

Because the causes of unequal life-chances are...
complex, so must potential remedies be. Every mainstream political party expresses shock at the
class gap in educational achievement and pledges itself to do something about it. Still, it finds ways of
persisting. Often, policy and the law seem blunt, limited instruments for tackling the gravest
unfairnesses.

On the other hand, to pursue equality takes clarity about what equality actually consists in. Large-scale
statistics provide a ‘bigger picture’ of something starkly wrong. But looking at individuals’ lives, our
everyday circumstances, can make the details of achieving equality seem forbidding. On a simple
model of equality, it would mean everyone having an equal share of resources – income, and access to
health, education and other things deemed vital for living a decent life. But the trouble is that not
everyone benefits equally from having an equal share. For one thing, our needs differ. Someone with
particular health problems or a certain disability may need far more resources in order to live a decent life
than their next-door neighbour does. Older people may need more expensive support.

But for another thing, we achieve fulfillment in different ways. Some people (not many, admittedly,
but I’ve come across one or two) may be blissfully happy living in a shed on a remote hillside, frugal
and self-sufficient, with minimal contact with the world beyond. Others must pursue their highly
expensive interest in driving speedboats to achieve the same levels of well-being. And some people
seem better-placed than others to transform resources into well-being. Give everyone £50, or access to a public library, and you’ll get mixed results in terms of how much welfare different people
derive from it. Some with very little are happier with their situation than others who have much more,
but are frustrated in their ambitions to climb higher up the social ladder. Often the exploited adapt their
expectations to fit what seems their inevitable lot, and get highly skilled at ‘making do’. Thus there
seems a disconnect between equality of resources (people having the same amount of stuff) and
equality of welfare (people living equally flourishing lives). In fact, because our needs, aspirations and
preferences differ, giving everyone the same resources may seem precisely what you wouldn’t do,
to ensure that everyone was equally happy.

Nobel prizewinning economist Amartya Sen has suggested that what really matters is equality of
capabilities. A ‘capability’ is a person’s freedom to be or do fundamentally important things – what Sen
calls ‘functionings’. So my quality of life is a function of what I’m able to be
(e.g. well or badly nourished) and do
(e.g. perform more or less meaningful work). My ‘capability set’ is the range of
functionings available to me – the
things I’m realistically able to be and do.
On this model, what’s wrong with
inequality isn’t simply that people have drastically different amounts of stuff. It’s
that people have drastically different
capability sets – different chances of
achieving the things in life which will enable them to flourish. The list of those things will
differ between people, sure. But everyone, so the
story goes, has an interest in flourishing.

So we have increasingly subtle, fine-tuned accounts of what exactly promoting equality might mean. By
any measure, it needs some hefty promotion. While
most pay some kind of lip-service to it, governments
are highly picky about what kinds of equality they
promote. They may bemoan inequality among the
nation’s children while simultaneously arguing, like
London Mayor Boris Johnson in his recent Margaret
Thatcher memorial speech, that large inequalities
between the best and worst off are both vital and
inescapable. Austerity has made pursuing
equality harder, in many ways. The already most
vulnerable will be the hardest hit by cuts, from legal
aid to local services. Meanwhile the gap between rich
and poor has been growing in the UK since the early
1980s. The available global evidence suggests that
this will make for a less happy society – less healthy,
more crime-ridden, less harmonious, and lower on
the chief indicators of well-being (our topic for the
next in this series). Equality remains very much an
unfinished project.

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In action

Green Man 2013
The Bevan Foundation was proud to be Green Man festival’s charity partner for 2013. In glorious sunshine and accompanied by fantastic music, literature, science and food, festival goers – along with Mr Trolley, Buzz magazine and the pedal-powered phone recharging service – helped to raise more than £8,000! We were thrilled that Green Man director Fiona Stewart won the ‘Outstanding Contribution to Festivals’ award in December, the highest accolade for an individual.

Poverty and Ethnicity in Wales
Delegates packed Butetown Community Centre, Cardiff last October to learn about the connections between poverty and ethnicity. Deputy Minister Vaughan Gething opened the event, with presentations on the latest Joseph Rowntree Foundation study, examples of good practice and a panel discussion giving much food for thought.

Robert Owen Awards 2013
The contribution of co-operatives to Wales’s economy and communities was celebrated in the 2013 Robert Owen Awards organised by the Co-operative Group with the support of the Bevan Foundation. Amongst the winners were Vetch Veg (pictured), a community co-operative which grows vegetables on the former football ground.
Making a difference

Saving Powys’s buses

The Bevan Foundation’s assessment of the importance of buses to older people, women and disabled people help to stop Powys County Council’s planned cuts to services in September. The Cabinet member responsible for transport, Cllr Barry Thomas, told BBC Wales news that “the impact on service delivery is not equitable”.

Educational attainment & income

Bevan Foundation director Victoria Winckler has given written and oral evidence to the Assembly’s Children and Young People Committee’s inquiry into Educational Outcomes for Children from Low Income Households, drawing on our work with Joseph Rowntree Foundation. The inquiry is expected to report later this year.

A Living Wage for Welsh Workers

The Bevan Foundation is participating in the Living Wage Commission, chaired by Archbishop of York John Sentamu, which is exploring how the living wage can be implemented. Bevan Foundation director Victoria Winckler has appeared on BBC Wales Today and BBC Radio Wales at Work programme to discuss the issues.

In print...

Council bingo!

The first in our new Senedd Series of pamphlets looks beyond local government re-organisation to some of the wider issues that need to be addressed to strengthen local authorities, including scrutiny, remuneration and representation. Written by Mike Hedges, now Assembly Member for Swansea East and formerly Leader of Swansea Council.

Buses – a lifeline for older people

Being able to get a bus means older people can live independently, enjoying freedom, flexibility and choice. Yet many local services are under threat from changes to public subsidies for non-commercial services, while bus operators fail to take account of the needs of older people who use their services.

This report, for Age Cymru, highlights the benefits of bus services and makes recommendations for action.

Inspiring action to tackle poverty

With poverty the Welsh Government’s ‘top priority’ what can and should be done to reduce poverty at local level? This collection of grass-roots projects from across Wales, published to coincide with Joseph Rowntree Foundation’s latest report on poverty and social exclusion, is inspiring and thought-provoking.
Ceri Jackson, RNIB Cymru

In 140 characters, describe RNIB Cymru
A charity that supports blind and partially sighted people and promotes good eye health through the services it provides and its campaigning work.

What is your role at RNIB Cymru?
Director.

If RNIB were a type of biscuit, what would you be?
Jammie Dodger – suitable for any age, lots of layers to represent the support and services we provide.

What made you want to work for the RNIB?
Making a difference to the lives of people with sight loss and reducing the number of people going blind. I enjoy the challenge and am privileged to work with such a great team and have the opportunity to meet with our members across Wales.

What are the biggest challenges facing visually impaired people?
Half of all sight loss is avoidable, we need more people to have a regular sight test and look after their eyes. One of our biggest challenges is overcoming the capacity issues for ophthalmology outpatients. Patients are facing significant delays in appointments because of capacity issues, so getting access to treatment and monitoring is a challenge whether you are a new or existing patient.

Our members tell us that transport is a major challenge for them, particularly access to public transport. We hear alarming stories from our members about being left on bus stops or not receiving the support they have booked at train stations. For many people bus services are the only option yet eight out of ten respondents to a recent RNIB survey said they often missed the bus because they could not see to hail it down and over half said they struggled to get vital information like route number and destination from bus drivers. Audio announcements on all buses would help but in the meantime just having bus drivers stop at bus stops and speak to passengers would make a big difference.

What would you like the Welsh Government to do?
Every day 100 people in the UK start to lose their sight. Yet over 50 per cent of sight loss can be avoided. So many people still don’t go for a regular sight test so, yes, more does need to be done to raise awareness of eye health. I’m delighted that the Welsh Government is developing an eye health promotion and public education strategy as part of the Welsh Government’s new Eye Health Care Plan for Wales and we’re looking forward to working with them on the development of the strategy.

Why are the RNIB members of the Bevan Foundation?
Because we share their vision of a fair, equal and just nation. We know that blind and partially sighted people are not always treated equally in society today. People living with sight loss are more likely to experience financial hardship, with two in five people with sight loss facing difficulty in meeting ends meet and half living in a household with a total income of less than £300 a week. Many aspects of society are still not accessible to people with sight loss – a quarter have experienced difficulty in accessing health care services and over one third have experienced restrictions in accessing local bus or train services, for example.

Find out more at www.rnib.org.uk/aboutus/contactdetails/cymruPages/cymru.aspx

Let us know if you’d like to be featured in a future issue of Review – email: info@bevanfoundation.org
The co-operative proudly serving Wales for over 150 years
Supporting workers since 1921.

We only work for employees, never employers. Ensuring we only work for those who need us the most, not those who could pay us the most.

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